

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL
PRIORITY MAIL CONTRACT 353

Docket No. MC2017-189

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL CONTRACT 353 (MC2017-189)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2017-290

**NOTICE OF THE UNITED STATES POSTAL SERVICE OF
FILING ERRATA TO REQUEST, INCLUDING MATERIAL UNDER SEAL**
(September 15, 2017)

The United States Postal Service hereby provides notice of filing a revised contract under seal, as well as a revised Attachment B to its request, both of which were originally filed in this docket on September 6, 2017. The revised contract corrects a typographical error in Table 2 of the contract, and is being filed under seal today. The corrected price cells are highlighted in yellow. The Postal Service is also filing a revised Attachment B, which contains the redacted shipping services contract. The corrected Attachment B is attached to this pleading. The financial workpapers originally filed on September 6, 2017, remain applicable to the revised contract being filed today. No other changes to the Postal Service's request have been made.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

John F. Rosato
Acting Chief Counsel
Pricing and Product Support

Elizabeth A. Reed

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-3179, Fax -6187
elizabeth.a.reed@usps.gov
September 15, 2017

**ATTACHMENT B TO REQUEST
REDACTED SHIPPING SERVICES CONTRACT
(Corrected version filed September 15, 2017)**

**SHIPPING SERVICES CONTRACT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND
[REDACTED]
REGARDING
PRIORITY MAIL SERVICE**

This Contract for shipping services is made by and between [REDACTED] a corporation organized and existing under the laws of [REDACTED] with its principal office at [REDACTED] ("Customer"), and the United States Postal Service ("the Postal Service"), an independent establishment of the Executive Branch of the United States Government established by the Postal Reorganization Act, Public Law 91-375, with its principal office at 475 L'Enfant Plaza, SW, Washington, DC 20260. The Postal Service and Customer are referred to herein collectively as the "Parties" and each as a "Party."

WHEREAS, it is the intention of the Parties to enter into a Shipping Services Contract ("SSC" or "Contract") that will benefit the Postal Service, the postal system as a whole, and Customer, and that will comply with the requirements of Title 39 United States Code, as amended by the Postal Accountability and Enhancement Act of 2006.

NOW, THEREFORE, the Parties agree as follows:

I. Terms

The following terms apply as of the effective date, as defined below:

- A. Except to the extent different terms or prices are specified in this Contract, applicable provisions of the Domestic Mail Manual (as may be regularly updated by the Postal Service and posted at http://pe.usps.com/text/dmm300/dmm300_landing.htm) and of other postal laws and standards apply to mail tendered under this Contract.
- B. This Contract applies to Customer's inbound and outbound packages (collectively "Contract Packages"), as follows:
 1. Priority Mail weight based packages [REDACTED] and [REDACTED]
 2. Priority Mail (Small, Medium and Large) Flat Rate Boxes.
- C. Customer will manifest Contract Packages as specified by the Postal Service, using a separate permit number and/or PC Postage account to ship such packages, and will use the Electronic Verification System (eVS), other USPS approved manifest systems, or USPS approved PC Postage vendors for payment of such packages. Customer shall provide the Postal Service, in writing, a list of its permit numbers

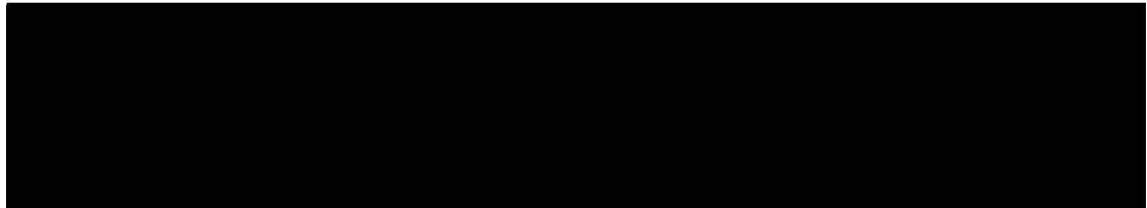
and/or PC Postage accounts for approval. Contract pricing for any newly approved permits and/or PC Postage accounts will be effective within fifteen (15) business days after the Postal Service receives written notification from Customer. Only Contract Packages and Customer's other Priority Mail packages shipped from authorized permits and/or PC Postage accounts shall count toward the volume commitment in Section I.E below.

- D. The Postal Service will provide Customer with Priority Mail Flat Rate Boxes only.
- E. The terms and prices contained herein will take effect on the effective date as defined in Section II. The Contract Quarters are defined as:
1. Contract Quarters. "Quarter(s)" or "Contract Quarter(s)", refer to the periods as follow in Table A.

Table A

Period Name	Start of Period	End of Period
Quarter 1	October 1 st	December 31 st
Quarter 2	January 1 st	March 31 st
Quarter 3	April 1 st	June 30 th
Quarter 4	July 1 st	September 30 th

2. Tier threshold. As outlined in Table B below, and excluding the Implementation Period, as described in Section I.F., the following quarterly average volumes must be met in order to achieve the applicable Priority Mail Contract Package prices in Section I.H.



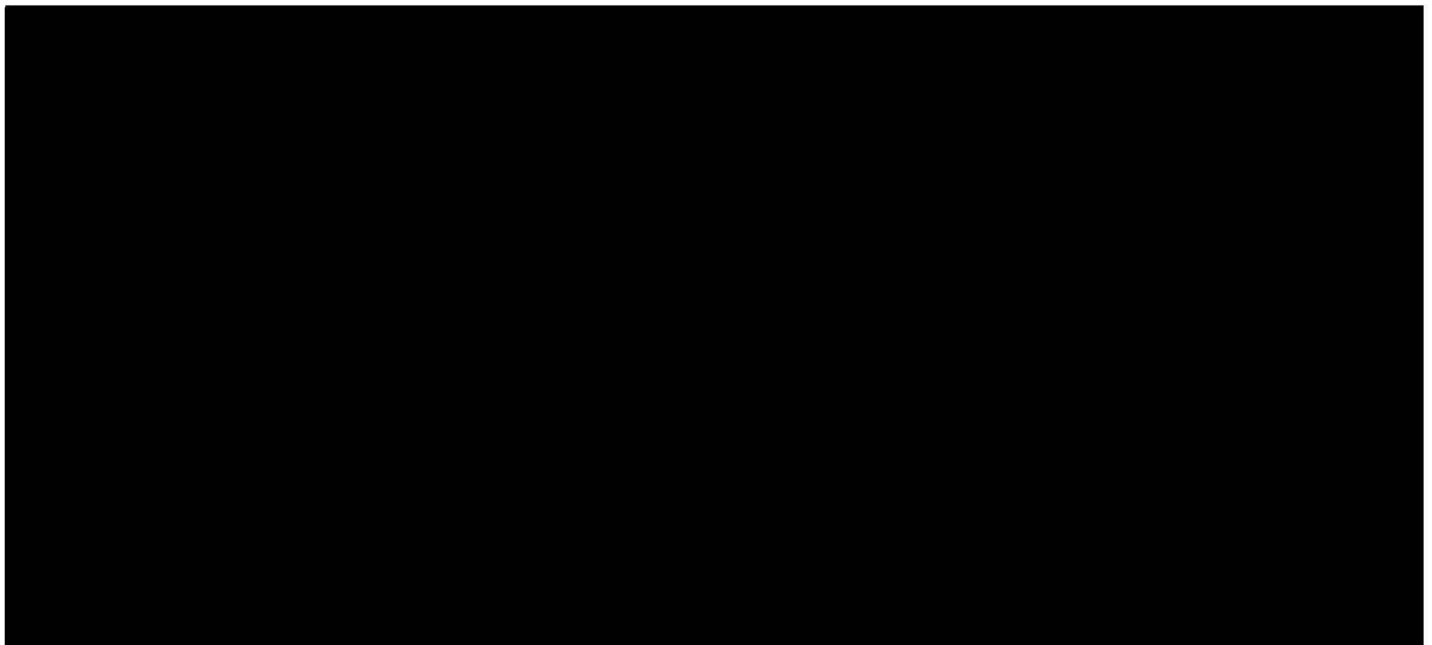
- F. From the effective date of the Contract through the end of the first full Contract Quarter ("Implementation Period"), Customer will pay Tier 1 prices for its Contract Packages, pursuant to Table 1. Customer will be exempt from the minimum average defined in Table B during the Implementation Period. Customer will continue to pay Tier 1 prices for its Contract Packages through the second full Contract Quarter. Following the second full Contract Quarter, subsequent tier pricing will be determined by the quarterly average of Contract Packages, plus Customer's other Priority Mail Packages ("Total Packages"), shipped during the term of this Contract, not to include the Implementation Period. If the quarterly average of Total Packages shipped falls below the minimum volume set for Tier 1 discounts, the Postal Service at its sole discretion has the right to revert Customer to the most current Priority Mail Commercial Plus prices for the subsequent Contract Quarter.

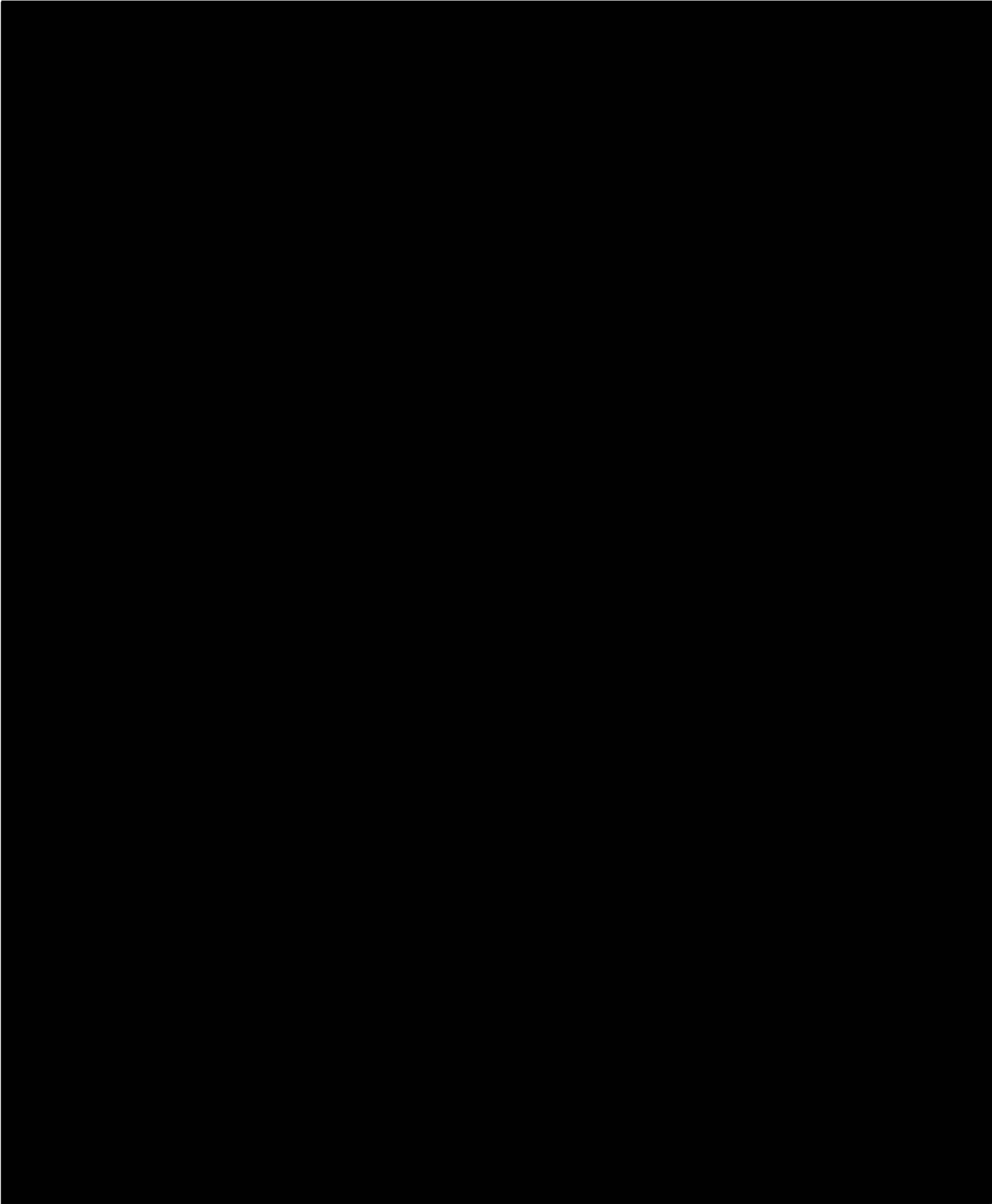
G. Customized pricing for this Contract will be based on a rolling four (4) quarter average. Following the Implementation Period, the average will be based on the number of Total Packages shipped divided by the number of full quarters achieved, not including the Implementation Period. At the conclusion of the first four (4) full quarters, following the Implementation Period, pricing for subsequent quarters will be calculated by the number of Total Packages shipped in the previous four (4) quarters divided by four (4). At the conclusion of each quarter, the Postal Service will calculate the number of Total Packages and the number of applicable quarters to calculate and apply the appropriate rate table within fifteen (15) calendar days of the conclusion of that quarter. Table C below illustrates the method in determining tier level and corresponding prices.

Table C

Contract Year (CY) 1	Tier Determination
Quarter 1	Tier 1 Pricing
Quarter 2	Tier 1 Pricing
Quarter 3	Total Packages Shipped (CY1 Q2) ÷ 1
Quarter 4	Total Packages Shipped (CY1 Q's 2&3) ÷ 2
Contract Year (CY) 2	Tier Determination
Quarter 1	Total Packages Shipped (CY1 Q's 2,3&4) ÷ 3
Quarter 2	Total Packages Shipped (CY1 Q's 2,3&4 + CY2 Q1) ÷ 4
Quarter 3	Total Packages Shipped (CY1 Q's 3&4 + CY2 Q's 1&2) ÷ 4
Quarter 4	Total Packages Shipped (CY1 Q4 + CY2 Q's 1,2&3) ÷ 4
Contract Year (CY) 3	Tier Determination
Quarter 1	Total Packages Shipped (CY2 Q's 1,2,3&4) ÷ 4
Quarter 2	Total Packages Shipped (CY2 Q's 2,3&4 + CY3 Q1) ÷ 4
Quarter 3	Total Packages Shipped (CY2 Q's 3&4 + CY3 Q's 1&2) ÷ 4
Quarter 4	Total Packages Shipped (CY2 Q4 + CY3 Q's 1,2&3) ÷ 4

H. Priority Mail Contract Package Price Tables





I. Annual Adjustment

1. For subsequent years of the Contract, beginning on the first anniversary of the Contract's effective date, customized prices under this Contract will be the lesser of: (a) the previous year's prices plus the most recent (as of the anniversary date) percentage increase in prices of general applicability for Priority Mail Commercial Plus, as calculated by the Postal Service, or (b) the previous year's prices plus [REDACTED]
2. Customized prices for the subsequent years will be calculated by the Postal Service and rounded up to the nearest whole cent. If the Postal Service maintains or decreases published rates of applicability for Priority Mail Commercial Plus, there shall be no change to Contract pricing for that Contract Year.

II. Regulatory Review and Effective Date

This Contract is subject to approval by Postal Service senior management and/or the Governors of the Postal Service as well as by the Postal Regulatory Commission (the "Commission"). In accordance with Title 39 and the Commission's Rules of Practice and Procedure, the Postal Service will make required filings with the Commission. The effective date of this Contract shall be two (2) business days following the day on which the Commission issues all necessary regulatory approval. For the purposes of this SSC, business days are defined as Monday through Friday, excluding federal holidays and days on which the Postal Service Headquarters is administratively closed.

III. Expiration, Termination, and Extension

A. Expiration. This Contract shall expire three (3) years from the effective date, unless (1) terminated by either Party with thirty (30) calendar days' notice to the other Party in writing pursuant to Article III.B; (2) renewed by mutual agreement in writing and subsequent approval by the Commission; (3) superseded by a subsequent contract between the Parties; (4) ordered by the Commission or a court; or (5) otherwise required to comply with subsequently enacted legislation.

B. Termination. Each Party reserves the right to terminate this Contract for convenience, without penalty, with thirty (30) calendar days' written notice to the other Party. Each Party may terminate this Contract in its entirety upon written notice if the other Party breaches any material term of this Contract and fails to cure such breach within thirty (30) calendar days after receipt by the breaching Party of written notice from the non-breaching Party describing such breach. The right to terminate shall be in addition to and shall not be in lieu of any other remedies available to the parties hereunder or by law.

C. Extension. If, at the conclusion of this Contract term, both Parties agree that preparation of a successor SSC is active, the SSC will be extended for up to two (2) ninety (90)

calendar day periods with official notification to the Commission at least seven (7) calendar days prior to the Contract's expiration date. Upon both Parties agreement of the extension, the escalation clause will be implemented in Section I.I, throughout the extension period.

IV. Appeals

Customer may appeal a Postal Service decision regarding the calculation of prices, the amount of postage paid, or other implementation or operational issues under this Contract by submitting a written appeal within thirty (30) calendar days of receipt of notification of the determination giving rise to the appeal to: Manager, Pricing and Classification Service Center ("PCSC"), 90 Church St. Ste. 3100, New York, NY 10007-2951 ((212) 330-5300 / Fax: (212) 330-5320). The decision of the PCSC Manager will be administratively final. Any decision that is not appealed as prescribed becomes the final Postal Service decision.

V. Confidentiality

Customer acknowledges that as part of securing approval of this Contract, the Contract and supporting documentation will be filed with the Commission in a docketed proceeding. The Postal Service shall request from the Commission non-public treatment of information that the Postal Service deems to be eligible for protection from public disclosure when it files such material with the Commission, including Customer's identity, the terms of this Contract, and supporting data relating to postal costs, prices, and Customer's shipping profile. The Postal Service will redact such information from its public filing. Customer authorizes the Postal Service to determine the scope of information that must be made publicly available in the Commission's docketed proceeding. Customer further understands that any unredacted portion of this Contract or supporting information will be available on the Commission's public website, www.prc.gov. At the request of Customer, the Postal Service will notify Customer of the docket number of the Commission proceeding once assigned. Customer has the right, in accordance with the Commission's rules, to address its confidentiality concerns directly with the Commission. Customer agrees to treat as confidential and not disclose to third parties absent express written consent by the Postal Service any information related to this Contract that is determined by the Commission to be non-public.

VI. Amendments

This Contract shall not be amended except expressly, in writing, by authorized representatives of the Parties.

VII. Assignment

Neither Party may, or shall have the power to, assign its rights under the Contract or, delegate its obligations hereunder, without the prior consent of the other; such consent is not to be unreasonably withheld. In addition, in the event that Customer is merged with or into or acquires another entity, pricing under this Contract following such merger or acquisition shall apply only to mail sent by the entity existing prior to the merger or acquisition. Following any

such merger or acquisition, the parties may negotiate in good faith to extend, modify or enter into a new contract applicable to the merged or acquired entity.

VIII. Waiver

Any waiver by a party shall not constitute a waiver for any future occurrence. No waiver shall be valid unless set forth in writing executed by the party waiving such provision.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE

Signed by: _____



Printed Name: Cliff Rucker

Title: Senior Vice President, Sales and Customer Relations

Date: _____

9/13/17